

Adopt 2 Cal. Code Regs. Section 18521.5 to read:

§ 18521.5 Ballot Measure Committees Controlled by Candidates for Elective State Office

Except as otherwise provided for recall committees under Section 85315 and Regulation 18531.5, a candidate for elective state office may control a committee under Section 82013(a) to support or oppose the qualification or passage of a measure, as provided in this regulation.

(a) Committee Name

(1) If the committee is a general purpose ballot measure committee, the committee name shall include the name of the controlling candidate pursuant to Regulation 18402(c)(1), and expressly indicate it is a ballot measure committee.

(2) If the committee is a primarily formed ballot measure committee, the committee name shall include, in addition to the information set forth in subdivision (a)(1), the information required in Section 84107, and in Section 84504 and Regulation 18450.3.

(b) Statement of Organization.

(1) The committee shall identify on its Statement of Organization each measure, as officially designated on the ballot, the committee supports or opposes.

(2) If, at the time the committee files or amends its Statement of Organization, a potential ballot measure the committee anticipates it will support or oppose has not been assigned an official ballot designation, the Statement of Organization shall specifically describe the nature and purpose of the anticipated measure or measures that the committee will support or oppose. The committee shall amend its Statement of

Organization to correctly identify the measure or measures within ten (10) days after official ballot designations are assigned.

(c) Application of Section 85310. If the committee makes a communication described in Section 85310(a) that “clearly identifies” a candidate for elective state office, as defined in Regulation 18531.10(a)(1), contributions to the committee are subject to the limit prescribed for political party committees in Section 85303(b) if the communication is made at the behest of the clearly identified candidate.

(d) Committee Expenditures

(1) Except as set forth in paragraphs (3) (4) or (5) below, committee funds shall be used only to make expenditures related to the qualification, passage or defeat of the measure or measures supported or opposed by the committee, as indicated in its Statement of Organization. Expenditures permissible under this section include reasonable and ordinary committee operating costs, administrative overhead, fundraising costs, and compliance costs. In no case shall committee funds be spent in violation of the restrictions on use of campaign funds by candidates for elective office described in Sections 89511 through 89518.

(2) Committee funds shall not be used to make expenditures, including a contribution to another committee, for the purpose of supporting or opposing a candidate for elective office.

(3) Contributions may be transferred to another committee for the purpose of supporting or opposing a ballot measure, or returned to a committee contributor, at any time.

(4) A committee that is preparing to terminate its status as a committee may, at any time within 60 days prior to the effective date of its termination, disburse some or all of its leftover funds pursuant to subdivision (b)(3) of Section 89519.

(e) In addition to any other reporting and recordkeeping requirements, the committee shall also comply with the provisions of Regulations 18401 (a)(6) and 18421.8.

(f) This regulation shall not be construed to permit a use of committee funds in violation of Elections Code Section 18680.

Note: Authority cited: Section 83112, Government Code.

Reference: Sections 82016, 82047.5, 85301, 85302, 85303, 85304, 85310, Government Code; Section 18680, Elections Code.